

**FILED**

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

MAR 22 2006

NEBRASKA DEPARTMENT  
OF INSURANCE

STATE OF NEBRASKA	)	
DEPARTMENT OF INSURANCE,	)	
	)	FINDINGS OF FACT,
PETITIONER,	)	CONCLUSIONS OF LAW,
	)	RECOMMENDED ORDER AND
VS.	)	ORDER
	)	
STEVEN D. JOHNSON,	)	
	)	CAUSE NO. A-1653
	)	
RESPONDENT.	)	

This matter came on for hearing on the 21<sup>th</sup> day of March 2006 before Eric Dunning, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Christine Neighbors. Steven D. Johnson, ("Respondent"), was not present and was not represented by an attorney. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. Evidence was received, and the matter was taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. Respondent was a licensed resident Nebraska insurance producer at the time material to this Order, and remained so until March 31, 2004, when his license expired. His current registered address with the Department is 2726 South 148<sup>th</sup> Avenue, Omaha, NE 68144. His registered home address is reported as 5413 Navajo St., Council Bluffs, IA 51501. (Exhibit 1).
2. The Department is the agency of the State of Nebraska charged with licensing insurance producers.
3. On or about February 21, 2006 the Petition and Notice of Hearing were served upon the Respondent by mailing the same to his registered home address is reported as 5413 Navajo St.,

Council Bluffs, IA 51501 by certified mail, return receipt requested. That letters was returned to the Department, on or about March 14, 2006, as "Unclaimed". (Exhibit 2).

4. On March 17, 2000, Vivian Foley made a check payable to a Gleaner Life Insurance Society in the amount of \$35,000 at Respondent's request. (Exhibit #6). In return, a "Receipt and Conditional Life Insurance Agreement" was given to Ms. Foley by W. Donald Gillett (Exhibit 3). This check and application were sent to Steve Johnson at the Mike Kruger Office on February 9, 2000 (Exhibit 6). That check was subsequently deposited at Cass County Bank between April 5, 2000 and April 11, 2000 by an unknown person (Exhibit 3).

5. On or about April 5, 2000, Respondent opened two new bank accounts at Cass County Bank. One account was designated as a business money market account 62113 established with an initial deposit of \$25,000. The second account was designated as a business checking account 105750 established with an initial deposit of \$10,000 (Exhibit 5).

6. On or about July 21, 2000, Respondent requested a transfer of \$15,000 from account 62113 to account 105750. At some point thereafter, Respondent requested account 105750 be closed with the proceeds sent to his attorney. On some date after July 21, 2000, Respondent requested account number 62113 be closed and the proceeds sent to him (Exhibit 5).

7. Gleaner Life Insurance Society did not receive the \$35,000 submitted by Ms. Foley through Mr. Gillett and Mr. Johnson. (Exhibit 6).

#### CONCLUSIONS OF LAW

1. The Department has jurisdiction and control over the licensing of Respondent to sell insurance in the State of Nebraska pursuant to Neb. Rev. Stat. §44-101.01 and §44-4001 et seq.

2. The Department has personal jurisdiction over Respondent.

3. Pursuant to *Neb. Rev. Stat.* §44-4059(5), the Director retains the authority to “enforce the provisions of and impose any penalty or remedy authorized by the Insurance Producers Licensing Act against any person who is under investigation for or charged with a violation of the act even if the person’s license or registration has been surrendered or has lapsed by operation of law. No disciplinary proceeding shall be instituted against any licensed person after the expiration of three years from the termination of such license.”

4. Respondent violated *Neb. Rev. Stat.* §44-4059(1)(d), which states the Director may revoke or suspend a producer’s license and impose a fine if the licensee has improperly withheld, misappropriated, or converted any money or property received in the course of doing insurance business as a result of the conduct set forth in Paragraphs 4 through 7 of the Findings of Fact.


5. Respondent violated *Neb. Rev. Stat.* §44-4059(1)(h), which states that the Director may revoke or suspend a producer’s license and impose a fine if the licensee uses fraudulent or dishonest practices, or demonstrates incompetence or untrustworthiness in the conduct of business in this state as a result of the conduct set forth in Paragraphs 4 through 7 of the Findings of Fact.

#### RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that the Respondent’s insurance producers license be revoked.

Dated this 21<sup>st</sup> day of March 2006.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

  
Eric Dunning, Hearing Officer

### CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of *State of Nebraska Department of Insurance v. Steven D. Johnson*, Cause No. A-1653.

Dated this 22<sup>nd</sup> day of March 2006.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE



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L. TIM WAGNER  
Director of Insurance

### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Respondent by mailing a copy to Respondent at National Health Insurance Company, 5413 Navajo St., Council Bluffs, IA 51501, by certified mail, return receipt requested and by First Class United States Mail on this 22<sup>nd</sup> day of March 2006.

